

Alabama Homeowners Assistance Fund (HAF) Sample Term Sheet



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MORTGAGE PAYMENT ASSISTANCE PROGRAM SAMPLE TERM SHEET

CRITERIA	MORTGAGE PAYMENT ASSISTANCE PROGRAM TERMS
Brief description	<p>The Mortgage Payment Assistance program will assist homeowners with a financial hardship related to the pandemic by eliminating past due payments and other delinquent amounts including forbearance balances, COVID-19 related partial claims, forward mortgages, reverse mortgages, loans secured by manufactured homes, or contracts for deed.</p> <p>A one-time reinstatement payment must fully reinstate the homeowners account or extinguish the partial claim. Eligible expenses may include principal, interest, property taxes, homeowners insurance, corporate advances, ground rents, condominium fees, cooperative maintenance fees, planned unit development fees, homeowners' association fees or utilities that the servicer advanced to protect lien position. Reasonable and customary legal fees may also be paid. The program may also provide monthly mortgage payment assistance for up to 12 months not to exceed an aggregate amount of \$50,000.</p>
Maximum amount of assistance per homeowner	<p>HAF may be used to reinstate an eligible homeowner's past due mortgage payments and all other mortgage-related expenses during their time of eligibility. The program will provide assistance not to exceed \$50,000 to bring the homeowner current on his/her delinquent mortgage(s) and provide monthly payment assistance not to exceed 12 months or an aggregate amount of \$50,000 (whichever comes first). The payments can cover principal, interest, fees, escrow/impound expenses, corporate advances, past due homeowner's association (HOA) and condominium fees, reasonable legal fees, delinquent taxes and/or escrow shortage for property taxes and hazard insurance.</p>

CRITERIA	MORTGAGE PAYMENT ASSISTANCE PROGRAM TERMS
Homeowner eligibility criteria and documentation requirements	<p>Homeowners will be required to provide a Hardship Affidavit attesting their inability to pay their mortgage due to a COVID-19 related hardship after January 21, 2021. Homeowners must currently occupy the property as their primary residence and the residence must be located within the state of Alabama. Homeowners will be required to certify occupancy on a monthly basis.</p> <p>Documentation requirements include Hardship Affidavit, Socially Disadvantaged affidavit (if applicable), proof of ownership, identification of borrower and co-borrower in the form of a driver's license or government issued ID, and income documentation.</p> <p>Income Documentation:</p> <p>Homeowners must have total annual household income of less than 150 percent of the area median income or 100% of the median income for the United States, whichever is greater. AHFA may change these limits annually when new income data becomes available from the U.S. Department of Housing and Urban Development AHFA will utilize one of two approaches for a homeowner's income eligibility determination/documentation:</p> <ol style="list-style-type: none">1. Written attestation together with supporting documentation. The homeowner will provide a written attestation as to household income together with supporting documentation of income including, but not limited to paystubs, W-2s, or other wage statements, IRS Forms (1040, 1065, 1099), tax filings, depository institution statements demonstrating regular income, or a written attestation from an employer; or2. Written attestation plus a reasonable fact-specific proxy for household income.
Loan eligibility criteria specific to the program	<p>Funds may be used to pay an homeowners first mortgage, subordinate lien(s), loans secured by contract deeds or land contracts, and past due property taxes, past due HOA and condominium fees, corporate advances, and past due homeowners insurance. Eligible structures include single-family homes, attached or detached, and manufactured housing attached to real property. The maximum original principal mortgage amount on all existing mortgage loans on the property may not total more than the conforming loan limits at the time of origination. Mortgages must be originated by a financial institution in the business of regularly originating mortgages. The property must be the homeowners primary residence. The property must not be vacant, abandoned or investment property.</p>
Form of assistance	<p>Program assistance will be in the form of a grant. Homeowners receiving assistance will not be required to execute a note and a subordinate mortgage lien in favor of AHFA.</p>
Payment requirements	<p>Payments may be made directly to the servicer or appropriate entity.</p>



CRITERIA	LOAN MODIFICATION PROGRAM TERMS
Brief description	The Loan Modification program is available to homeowners who have an eligible financial hardship related to the pandemic. Funds will assist financially distressed homeowners in achieving modification of their primary residence. Under the program, a one-time disbursement of funds will be made to the mortgage servicer to recast the loan or be used to fill a financial gap that limits a homeowner's eligibility for a loan modification or to extinguish the first mortgage lien. Funds may be used to reduce the outstanding principal balance, pay delinquent escrow or arrearages.
Maximum amount of assistance per homeowner	Each Homeowner will be eligible for up to \$50,000 through this program with respect to the applicant's primary residence.
Homeowner eligibility criteria and documentation requirements	<p>Homeowners will be required to provide a financial Hardship Affidavit attesting to their inability to pay their mortgage. Homeowners must have a total annual household income not to exceed 150 percent of the area median income. AHFA may change this income limit annually when new income data becomes available from the U.S. Department of Housing and Urban Development.</p> <p>Loan Modification: A homeowner's eligibility for a loan modification or recast will depend on the servicer's evaluation of the homeowner for a loss mitigation option.</p> <p>Lien Extinguishment: Homeowners must be on a fixed income in order to be eligible for lien extinguishment.</p> <p>Documentation requirements include Hardship Affidavit, Socially Disadvantaged affidavit(if applicable), proof of ownership, identification of borrower and co-borrower in the form of a driver's license or government issued ID, and income documentation.</p> <p>Income Documentation: Homeowners must have total annual household income of less than 150 percent of the area median income or 100% of the median income for the United States, whichever is greater. AHFA may change these limits annually when new income data becomes available from the U.S. Department of Housing and Urban Development AHFA will utilize one of two approaches for a homeowner's income eligibility determination/documentation:</p> <ol style="list-style-type: none"> 1. Written attestation together with supporting documentation. The homeowner will provide a written attestation as to household income together with supporting documentation of income including, but not limited to paystubs, W-2s, or other wage statements, IRS Forms (1040, 1065, 1099), tax filings, depository institution statements demonstrating regular income, or a written attestation from an employer; or 2. Written attestation plus a reasonable fact-specific proxy for household income.

CRITERIA	LOAN MODIFICATION PROGRAM TERMS
Loan eligibility criteria	The homeowner must currently occupy the property as their primary residence, and the residence must be located within the state of Alabama. Eligible structures include single- family homes, attached or detached, and manufactured housing. The maximum original principal mortgage amount on all existing mortgage loans on the property may not total more than the conforming loan limits at the time of origination. Mortgages must be originated by a financial institution in the business of regularly originating mortgage. The property must not be vacant, abandoned or investment property
Form of assistance	Program assistance will be in the form of a grant. Homeowners receiving funds will not be required to execute a note and a subordinate mortgage lien in favor of AHFA.
Payment requirements	A single payment made payable to the servicer will be disbursed. Funds will be paid, as applicable, to the mortgage servicer or other third-party payee authorized by the servicer, or other third party authorized to collect eligible charges in accordance with reinstatement instructions received from the payee.

